



# CITY OF LONG BEACH

DEPARTMENT OF FINANCIAL MANAGEMENT

333 WEST OCEAN BOULEVARD, 6<sup>TH</sup> FLOOR • LONG BEACH, CALIFORNIA 90802

December 19, 2008

## NOTICE OF CHANGE IN TELEPHONE UTILITY USERS TAX

### RE: TELEPHONE UTILITY USERS TAX

On November 4, 2008, the voters of the City of Long Beach, California approved Measure G – Long Beach Utility Users Tax Modernization Act. This Measure amended Chapter 3.68 of the Long Beach Municipal Code relating to the telephone communications utility users tax. On December 9, 2008, the City of Long Beach certified the passage of Measure G and the ordinance is therefore effective on December 19, 2008.

The ordinance requires telephone communication service providers engaged in business or providing communication services in the City of Long Beach to comply with all of its provisions. To facilitate the required compliance, a copy of Chapter 3.68 of the Long Beach Municipal Code is attached and can also be accessed online at: <http://municipalcodes.lexisnexis.com/codes/longbeach/>.

For your reference, listed below are some of the significant provisions of the ordinance:

- VoIP services are subject to taxation
- Text and instant messaging services are subject to taxation
- Bundled charges as described in 3.68.065 of the ordinance are taxable
- Private communications services are subject to taxation
- Monthly reporting and remitting are required for service providers
- Exemptions are provided for low-income senior citizen and disabled households

**The above items are not intended to be an exhaustive list; the full extent and application of the ordinance is determined by the text of Chapter 3.68. This new ordinance may require substantial changes to your current practices and you are responsible for collecting the tax on all covered services. This letter constitutes notice under the California Public Utilities Code Section 799(a).**

A standardized Telephone Utility Users Tax remittance form is also attached and is available on the Financial Management website at: <http://longbeachgov.civicasoft.com/finance/treasury.asp>. Please ensure that all future tax remittances comply with this format.

All service providers may e-mail the City Treasurer's Office at: [fm\\_treasury@longbeach.gov](mailto:fm_treasury@longbeach.gov), regarding any questions they may have concerning this matter.

Sincerely,

LORI ANN FARRELL  
DIRECTOR OF FINANCIAL MANAGEMENT/CFO

#### ATTACHMENTS

**Disclaimer:** Advice on tax matters is only binding if issued by the City Attorney in writing. Oral and/or unauthorized advice on tax matters is not binding upon the City.